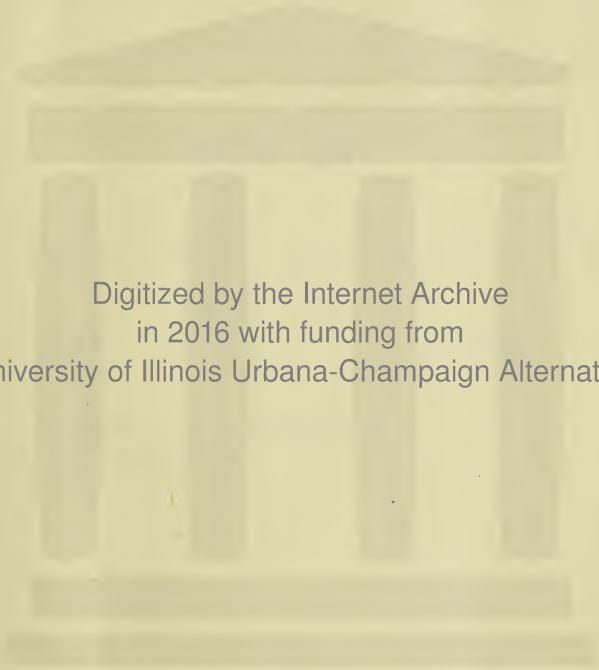


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STATE
REGULATION
OF WAGES

CONRAD RENO





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B. WILKINS & CO., PUBLISHERS,
197 DEVONSHIRE STREET,
BOSTON, MASS.

STATE REGULATION OF WAGES.

BY
CONRAD RENO.

1891:
B. WILKINS & CO., PRINTERS,
BOSTON.

3312
RR95s

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INTRODUCTION.

THE public mind and conscience seem to be awakening to some of the evils attending the existing wage-system, and to the fact that there is a "Labor Question," which is fast assuming the proportions of an "irrepressible conflict." The object of this paper is to point out the chief evils of this system, and to suggest a remedy for the social discontent now so wide-spread among the wage-earners. This remedy is believed to be practicable and just to all concerned. Its methods are peaceful, and involve no violence, or destruction, or confiscation of property. It is not a Revolution but a Reformation that is needed. The Reformation suggested is in accordance with our modes of thought and action, and our habits of living. It is analogous to the establishment of courts of justice for the settlement of disputes between the State's citizens. It consists, briefly, in the establishment by the State of a Labor Board for the settlement of disputes between employers and wage-earners, with power to enforce its orders, and to punish for disobedience.

The "wages question" is believed to be the core of the "labor question"; and therefore a correct solution of the smaller question will assist materially in reaching a correct solution of the larger one. This essay embodies an attempt to throw some light upon the wages question.

CONRAD RENO.

BOSTON, September, 1891.

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STATE REGULATION OF WAGES.

I.

CAUSES AND SYMPTOMS OF SOCIAL DISCONTENT.



O intelligent and well-informed person can fail to see that a great deal of social discontent exists among the wage-earners, not only of America, but also of England, Germany and France. The strongest symptoms of this social discontent are frequent strikes for higher wages or shorter hours, accompanied sometimes by violence and bloodshed, and invariably by loss of wages to the strikers themselves and loss of profits or destruction of property to the employer or to the capitalist.

The chief causes of this social discontent in America are believed to be two in number :—

First, the belief on the part of the wage-earners that they do not receive their fair share of the wealth that is the joint product of labor and capital. In other words, the belief that the existing wage-system, by which wages are not regulated by the amount of wealth produced by labor, but by the supply of labor and the demand for labor, is unjust and inequitable, or at least leads to injustice and inequity in many cases.

Secondly, the constant flow of immigration to this country increases the social discontent by increasing the surplus of labor above the demand.

Under the existing wage-system, as there is an over-supply of labor in many of the important fields of labor, the laborers are forced by their necessities to underbid one another for work, and in this way the employers are enabled to take undue advantage of the laborers' necessities.

The system itself is more to blame for this state of things than are the majority of employers. They, as well as employees, are, to a certain extent, controlled and fettered by the existing system. Many generous employers, who would like to pay higher wages, are prevented from doing so by unscrupulous rivals in business, who grind their help down to the starvation point, and are thereby enabled to make a large profit out of a low price. As the generous employer is obliged to compete in price of goods with his unscrupulous rivals, he is forced to pay about the same wages, for higher wages would eat up all his profits. In this way, a few hard-hearted employers may, under the present wage-system, depress wages below their fair value, not only to the detriment of their own help, but also to the detriment of others' help.

This tendency is inherent in the system itself, and until the system is reformed, this tendency will continue to increase, because evil and grasping men cannot be kept out of the ranks of employers, and a few of such men have the power to practically fix the wages for all employers in the same kind of work. The others, under the law of competition in commodities, must pay the same low wages, or retire from business. Is it right that a few dishonest men should commit this injustice upon labor, and control the vast majority? Should the State permit them to do so? It seems not. But how can the State prevent them? It cannot prevent them while the present system remains in full force; but an easy reform will accomplish the desired result. A Labor Board, having power to regulate wages, will prevent this injustice

to labor, and will place all employers upon an equality in the cost of labor.

II.

THE REMEDY SUGGESTED.

The remedy for these evils herein proposed is simple, and it is believed to be both practicable and just to all concerned. It consists briefly in the establishment of a "Labor Board" in each State, with power to fix the minimum rate of wages in those employments in which an over-supply of labor exists; but this power may only be exercised upon the written request of either one third of all the employees engaged in the same class of work in any one town or locality, or upon the written request of one third of all the employers so engaged. In those employments in which there is no over-supply of labor, the present wage-system seems to be open to no valid objection, and therefore the Labor Board should have no power or jurisdiction over them.

After the rate of wages has been once determined in one town or city, it shall remain the same for at least one year, unless one-third of *both* employers and employees shall make a written request for a new hearing and determination; in which case a new hearing shall be given as soon as possible.

The members of the Labor Board may be either elected by the people at large, or appointed by the Governor of the State, or by both in part.

The Labor Board should also have the power to regulate the number of hours which shall constitute a day's work, but only upon the written request of a certain proportion of both the employed and the unemployed, for the reasons explained hereinafter.

In determining the rate of wages, the Labor Board shall not

be controlled by the rate of wages now prevailing under the "iron law of wages" of supply and demand, but by what may be called the *golden rule of wages*, by which labor is entitled to receive a fair and just proportion of the wealth which it creates, irrespective of supply and demand.

III.

ADVANTAGES OF A LABOR BOARD.

The advantages claimed for this plan of a Labor Board may be briefly stated as follows :—

1. It is just to all concerned.
2. It is practicable, and will accomplish its objects.
3. It will raise the rate of wages to the point of fairness.
4. It will shorten the hours of work, and hasten the eight-hour movement.
5. It will allay social discontent among the wage-earners, and prevent strikes and violence.
6. It will lessen foreign immigration.
7. It will remove labor's objection to the use of improved machinery, and thereby increase the production of wealth.
8. It will give work to the unemployed.
9. It will lessen child labor.
10. It will tend to revive trade, business and religion, will increase the prosperity, happiness and safety of our citizens, and add to the stability of our free institutions.

IV.

JUSTICE AND PRACTICABILITY.

The plan herein proposed is believed to be both just and practicable. It acts in the same way that courts and juries have acted for centuries in deciding disputes. In the interests

of justice and order it substitutes a State tribunal, composed of disinterested persons, with power to decide between conflicting claims, instead of allowing the stronger to overcome the weaker by force, or the cunning to victimize the simple.

It provides that for a certain length of time in the future, the workman shall receive not less than a definite sum of wages, to be fixed by a disinterested tribunal, instead of allowing the employer to take advantage of the laborer's necessities to reduce wages or to keep them down below a fair price. It leaves the employer perfect freedom in selecting his workmen and in discharging them. If wages be too high, the employing class has the same means of redress through the Labor Board that the working class has. The same proportion of each class (one third) is required to procure a decision by the Board.

It relates merely to the future and not to the past. It does not disturb vested rights, for the doctrine of vested rights does not entitle a man, or a class of men, to continue in a course of force, or fraud, or injustice after the law has prohibited it. The fact that money lenders had charged high rates of interest for years before usury laws were passed did not give them a vested right to continue to do so after the passage. No vested right was thereby impaired, because none existed.

The man who is unwilling to submit his case for decision to a jury of his peers, is generally conscious of the injustice of his claim. So, if employers be unwilling to submit the question of wages for decision to their peers sitting on a Labor Board, it will indicate that they are conscious of the injustice of their claim that wages are fair and equitable.

The honest and kind-hearted employer (and there are many such) will not object; for the Labor Board's decision will not only allow him to gratify his generous impulses, but it will also protect him from the competition of his unscrupulous rivals by compelling them to pay the same wages.

The questions involved are no more difficult of correct solution and decision than those which are frequently decided in courts of justice and by tax assessors. All parties are entitled to a full and public hearing before the Board announces its decision. They may introduce evidence and present arguments. To prevent unnecessary prying into private matters, employers should not be compelled against their will to produce their books, but may do so if they wish. The Board should not be confined to evidence introduced at public hearings, but may institute inquiries for itself outside, and may act upon the whole matter as justice may dictate.

V.

STRIKES.

The adoption of this plan will allay social discontent among the wage-earners, and prevent strikes and violence.

The present methods of dealing with strikes are, *first*, the hired detective; *second*, the policeman, and *third*, the militia.

By one or more of these methods, bloodshed and destruction of property are sometimes prevented and sometimes not. In the end, the strike is put down or ceases, and order is restored. But the man who feels that he has a real grievance is never convinced by force that he is wrong. His defeat he regards as but temporary, and he decides to organize and to lay his plans more carefully for the next struggle in what he thinks to be a righteous cause. If the strike has been defeated by the government through the policeman or the militia, his respect for government is lessened by what he terms its unjust action. If it has been defeated by hired detectives, he blames the State for not prohibiting the employment of detectives for such purposes. Whatever the means

employed, the tendency is to weaken his support of and allegiance to the State.

Is there no better way of dealing with strikes than the policeman's club, or the detective's bullet? Do they prevent strikes? No; they merely stop violence by force after the strike has begun. They do not remove the cause of strikes, but rather increase it. That cause is the social discontent of the strikers, founded on the belief that they are not receiving fair treatment from their employers,—generally that they are not receiving as high wages or as short hours of work as they are justly entitled to receive. An ounce of prevention is worth a pound of cure, and the best way to prevent strikes and violence is to remove the *cause* of their existence, instead of trying to stop them after they have become powerful.

Opinions differ as to whether or not the laborer's belief that wages are too low or hours too long is well founded, but that this *belief* is the general cause of strikes there can be no doubt. If this belief be ill-founded, strikes can be prevented by changing this belief; and an adverse decision of a body of fair-minded and disinterested men would do much towards effecting a change of belief. If this belief be well founded, strikes can be prevented by increasing wages or shortening hours of work; and the amount of increase of wages or the extent of shortening hours can be decided by the same body of men after a full investigation on the spot. The decision of such a body of men, especially if they be State officers, would carry great weight in the community. The mere knowledge that a decision could be had by such a tribunal would prevent workmen from striking. It would give them a chance to state their grievances, with the hope of redress if their grievances prove real and substantial. At present they have no method of redress and no common

tribunal open to both parties for the settlement of disputes in a peaceful way between laborers and employers.

To say that such disputes are none of the State's business, and that it ought to interfere only to prevent bloodshed or destruction of property, seems as absurd as to say that it is none of the State's business to settle disputes between litigants in court. When partners have a dispute as to the proper division of the partnership assets, the State does not leave them to fight it out among themselves; it establishes courts, composed of disinterested men, to which any one may go, for the peaceful settlement of the matter, and their decision is binding upon all parties.

The capitalist, the employer and the employees stand in a relation towards one another very like that of partners. They all help to produce a specific quantity of wealth, and therefore they are all entitled to share in the division of such wealth created by their joint efforts. From an equitable point of view, the question is merely, "How much of such wealth shall each class receive?" If the parties cannot agree upon their respective shares, the State should provide some peaceful means of settling the dispute.

The State prevents disputes between partners and others from leading to bloodshed and destruction of property, by establishing courts for the peaceful settlement of such disputes, and it would be wanting in its duty towards its citizens if it failed to establish such tribunals. So, likewise, the State may prevent disputes between employers and employees from leading to violence and loss of property by establishing Labor Boards; and its failure to do so is a dereliction of its duty towards its citizens.

The State's present attitude of non-interference would be ridiculous in many cases if it were not so serious. Take the case of a strike on a railroad or a street car company.

These are *quasi-public* corporations, created by the State for the convenience of its citizens. They are subject to the control of the legislature, within the limits of the Constitution. A strike ensues, and the traveling public, for whose convenience these companies were chartered, is inconvenienced for days, weeks, or months. Why? Simply because the State does not take any steps to prevent strikes from arising, but merely tries to maintain order after they have arisen.

VI.

IMMIGRATION.

The adoption of this plan will discourage and prevent, to a large extent, the immigration of the pauper labor of Europe to compete with our own laborers.

In the early years of our national existence immigration was a blessing; now it is a curse. For many years past, foreigners have landed upon our shores at the rate of one thousand a day. Most of them have been unacquainted with our language and ignorant of our laws and institutions. Many of them are the poorest and most vicious of the Old World's scum, degraded by centuries of abuse and injustice, and imbued with a hatred of government and of law and order. They are willing tools for the anarchist and the secret society, and constitute an ever-increasing danger to our form of government. They are incapable of appreciating its benefits, and are actuated largely by motives of revenge and destruction. Within a few years we have awakened to the evils of unrestricted immigration, and the National government through Congress has done something towards stopping it. It has prohibited the landing of laborers contracted for in advance in foreign countries. It has broken our treaty with China and

excluded Chinese labor. But much remains to be done, and it can be done by the States, by the exercise of their power to regulate wages, and the fixing of wages at so high a rate as to render the employment of the pauper labor of Europe unremunerative to the American employer. He will therefore cease to employ the unskilled foreign laborer, and will employ the American laborer, because he does more work for the same amount of wages per man. At present he employs the foreigner, because he is a cheaper, not because he is a better workman than the American; because he will work for lower wages per day, not because he does more work. If the minimum rate of wages be raised to the point where the American workman can live upon them, the employer will prefer the American to the foreigner, because he produces more per man in the same time and for the same wages.

Hence the American employer will cease to employ foreign labor, and as soon as this fact becomes known abroad, foreign laborers will stop flocking to this country. For their chief object in coming now is to obtain work at higher wages than they can obtain at home.

VII.

MACHINERY.

The adoption of this plan will remove labor's objection to the use of new and improved machinery, and thereby increase the production of wealth.

Labor's objection to the introduction and use of new labor-saving machinery is based upon two grounds, both of which will be removed, or at least greatly lessened, by the adoption of this plan of a Labor Board. The first ground of objection is that it deprives some laborers of work, and thereby increases

the over supply of labor. The second is that the employer receives more, and that the wage-earner receives less, than his fair share of the increased production caused by the use of such new machinery.

1. Under the existing wage-system, both objections seem to be well-founded. It is true that the use of machinery has cheapened the cost of living and lightened the laborer's work, but these benefits are more than off-set to the working class as a whole by some of their numbers being thrown out of work by the new machine, and by those who remain receiving less than their fair share of the increased product. It is poor comfort to be told that all the necessities of life are rendered cheaper by the use of new machinery, when one cannot get work at all, or so little of it as to make the wages received wholly inadequate for his needs, even with reduced prices for food, clothing and shelter. Nor does easier toil pacify the hunger of himself and family.

When a hundred or a thousand workmen are displaced by new machinery, they are frequently forced by necessity to underbid other workmen for their places; who in their turn are finally forced to underbid others for their places; and so it continues down the line. Under the present wage-system, this process of underbidding is the inevitable result whenever new labor-saving machinery is introduced into a class of work where an over supply of labor already exists, or where the oversupply is caused by its introduction. For when two equally good workmen want the same place, the employer will select the one who is willing to work for the lower wages.

It not infrequently happens that the use of a new invention will force a higher class of workmen, who have thereby been thrown out of work, to bid for the places of a lower class of workmen at the lower rates. In this way a man earning \$2 per day may be displaced at the same rate of wages by another,

who, until the new invention, earned \$3 per day. This result is still more injurious to the working class than that effected by the underbidding process above described, because it not only leaves as many persons out of employment, but it also degrades the workman from a higher to a lower class. Having taken one step downward, it is very difficult and often impossible for him to regain his former position and high wages.

In whichever way the displacement be effected, the employing class is the gainer, and the laboring class is the loser, by the new machine. The eight-hour movement is believed by some to be a remedy for an oversupply of labor. The writer, however, believes a Labor Board to be a more efficient remedy for this evil, for the reasons given in Section IX of this paper, under the heading of "The Eight-Hour Movement."

2. But the most unjust and galling part of new labor-saving machinery, under the existing wage-system, lies in the fact that by its use the employer is enabled to appropriate to himself the lion's share of the increased product, and to exploit the laborer of his fair share of such increased product, caused by the use of the new machinery.

Under the present system of unrestricted competition in labor, every new invention increases the lion's share and aggravates the injustice. For the immediate result of every new labor-saving machine is to lessen the number of hands required to do the same amount of work and thereby to lessen the total labor cost to the employer. As the wages of those who remain employed are not raised, this saving in labor cost is added to the employer's former profits, and in some cases it amounts to a large sum.

This may be illustrated by actual figures and estimates taken from the chart of that able defender of capital, Mr. Edward Atkinson, in his book entitled "The Margin of Profits." His language and figures are as follows :—

“One million dollars of capital might be invested at this date, April, 1887, in a cotton mill, in which 950 operators would be employed in the manufacture of 17,500,000 yards of medium shirting in a year, worth at present price of $6\frac{1}{4}$ cents per yard, in round figures \$1,100,000. The distribution of the proceeds of this product would be substantially as follows :—

1. Cotton	\$575,000
2. Oil, starch, fuel and supplies	55,000
3. Mill labor	285,000
4. Depreciation	40,000
5. Insurance and general expense	10,000
6. Taxes	15,000
7. Freight	10,000
8. Treasurer, agent and clerks	20,000
9. Commissions and guaranty	30,000
10. Profits, 6 per cent	60,000
Cash	<u>\$1,100,000</u> ”

This estimate gives the capitalist employer the modest profit of six per cent or \$60,000 for the use of his capital of \$1,000,000 for one year. It gives nine hundred and fifty operators \$285,000 or \$300 each for the year's use of their hands and brains. But observe the immense change that a few labor-saving machines will make in these two items, allowing the other items to remain the same. In the course of a few years, such great improvements are made in machinery that the same quantity of cotton can be turned out by one-half the former number of operators, who work at the same wages per person, and therefore the total labor cost for the same product will be only one-half of \$285,000, or \$142,500, and the employer will thereby add \$142,500 to his other profit of \$60,000, making in all a profit of \$202,500, which is over twenty per cent on his investment. This operation has been repeated over and over again in the past hundred years.

Under the present wage-system, therefore, the employer appropriates the whole benefit from the new invention, and adds enormously to his profits, and the working class as a whole is worse off than it was before, for some of them are thrown out of employment, and those that have work do not receive any higher wages, because the rate of wages is not now determined by the wealth they produce, but by the iron law of supply and demand. In justice and equity it would seem that if a man produces twice as much wealth now as then, he ought to receive twice as much wages, even assuming that his former wages were just and fair. But so long as there exists an excessive supply of labor, and the State allows wages to be fixed entirely by contract between the parties, the employer will continue to take the lion's share of the increased production caused by the use of improved machinery. For human nature is selfish, and unless restrained by human or by divine law, the stronger or the more cunning will get the best of the bargain. The world has not yet reached the stage when the divine law, embodied in the golden rule standing alone, is sufficient to restrain the employer from paying low wages. A human law, requiring him under penalties to pay fair wages, is as necessary to secure justice to the laborer as a usury law is necessary to secure justice to a borrower.

The enormous fortunes made in manufacturing in the past thirty years were made largely by exploiting labor of its fair share of the product of labor and capital, and this exploitation was rendered possible by the existing wage system, and was much facilitated by various wonderful inventions in machinery.

With these facts in mind, it is easy to see why employers like machinery, and employees dislike it.

Mr. Atkinson adds, in the same chart above referred to: "*Without the service of capital* in the factory, it would take 95,000 people to make the same quantity of coarse osnaburgs

in one year on spinning-wheels and hand looms." The inaccuracy of attributing all of this increased production to capital, and not to invention, is glaring. It is new and improved machinery and not capital which has increased the efficiency of labor both in quantity and in quality. Capital, as such, has nothing to do with invention. The mere fact that it buys or leases the patented machine does not entitle it in justice to appropriate all the profits from the increased production. Machinery constitutes part of the fixed capital of the mill owner, and as such he is entitled to receive a fair return for its use, but no more.

If Mr. Atkinson's facts be correct, namely, that 950 mill operatives could in 1887 have produced as much cotton and of a finer quality as 95,000 persons could in the same time with spinning-wheels and hand-loom, this shows that since the days of spinning-wheels and hand-loom, new inventions in machinery have increased the efficiency of labor one hundred-fold in quantity and greatly in quality. The credit for this is due chiefly to inventors, many of whom were workmen, and not to capital. Capital is not even entitled to the credit of choosing and introducing new machinery; for this is not done by capital as such, but by the employer or superintendent.

The laborer of to-day, assisted by machinery, produces ten-fold or twentyfold the amount of wealth that he did fifty years ago in the same time, without the aid of improved machinery, but he does not receive anything like ten times or twenty times the amount of wages. In some cases he may receive twice as much wages as he did then, but if we assume that his wages then were fair and just (and nobody claims that they were too large), it follows that he ought in justice to receive now for a day's work ten times or twenty times as much wages as he did then. The difference between what he gets now and what he ought in justice to get, is appropriated by the employer.

The ideal test by which to decide whether wages are just or not, would seem to be as follows: take some date in the world's history when the demand for and the supply of labor were so nearly equal as to lead to the payment of just and fair wages; then ascertain how much wealth a man produced in a given time under those circumstances and how much wealth he can now produce, and then multiply such early wages by as many times as the former product is contained in the latter product. Thus, if labor at that time increased the value of the product two dollars, and the laborer received one dollar as wages, and now his labor for the same time would increase the value of the product ten dollars, he ought in justice to receive five dollars as wages.

But it would be extremely difficult if not impossible to find such a date in the world's history, and to determine the exact amount that the value of the product was increased by labor, and therefore this test is considered inferior to that first given above, as a practical means of deciding the matter.

If labor received its fair share of the increased value of wealth produced by the aid of new machinery, their present dislike and fear of it would disappear like darkness before the rising sun. They would then recognize machinery as the lightener of their toil, as the means of shorter hours of work and higher wages, and as their willing ally to be treated with care and improved, instead of their hated foe to be shunned. The result would be a larger production of wealth, and, by means of a Labor Board, a more equitable distribution of it. Experience and reason show that this change of attitude with respect to machinery can never be accomplished under the existing competitive wage system. Justice to the laborer, the claim of humanity, the peace and order of the country, the stability and the perpetuity of our free government, all demand that the State shall reform the present wage system.

VIII.

WORK FOR THE UNEMPLOYED, AND THE REVIVAL
OF TRADE AND BUSINESS.

“But,” says the objector to this plan of a Labor Board, “what will become of the great army of the unemployed? Your plan will not create any more work to be done, and therefore the number of persons out of employment will be as large after its adoption as at present.”

There is force in this objection, but not as much as appears at first sight; for there are at least two points which militate against it. *First*, the adoption of this plan will create more work by enlarging the demand for the products of labor in this way: the increase in the wages of such a large body of laborers will in the aggregate amount to an immense sum of money per year; and nearly all of this sum will be spent in buying necessities and comforts of life, which the wage-earners cannot buy at present for lack of means. A low estimate of those to be benefitted by this plan would seem to place the number at ten million persons in the United States. If we then assume that the average increase in wages per year amounts to one hundred dollars (which is also believed to be too low), this would give these ten million persons an increase of one billion dollars (\$1,000,000,000) per year over and above their present annual wages. They could and would, therefore, buy larger quantities of food, clothing and fuel, etc., than they can or do buy at present, and nearly all of their wages would go to those dealing in these necessities of life. This would act as a great stimulus to trade and business, especially in the staple articles, and would also furnish work for the unemployed. To illustrate: as there will be a larger demand for food, this will give profitable employment to more farmers, more butchers, more bakers, and more persons of

every class engaged in raising or in preparing human food, than are at present so employed.

So, also, as there will be a larger demand for clothing, there will be more persons employed in making flannels, cottons, coats, vests and trousers, hats, boots and shoes, etc., than are at present employed in those branches of work. As there will be an increasing demand for fuel, there will be more persons employed in mining and in transporting coal, and in chopping and transporting wood. And lastly, as there will be an increased demand for shelter, there will be more persons employed in the building and house-fitting trades than are at present so engaged.

The farmer and the manufacturer are suffering, not from over-production, but from under-consumption. This under-consumption comes, not from the lack of desires and of wants, but from the lack of means with which to gratify those desires and wants. If the vast mass of the wage-earners had higher wages, the farmer's and the manufacturer's products would find a ready market at higher prices, because there would be a greater demand for them. At present, the demand for the necessities of life is small, because wages are low, and the masses have very little money. With high wages would come more money and a larger demand, which would necessarily increase the price and also the quantities sold. It is not the rich few, but the poor many, who create a large demand for the farmer's corn and for the manufacturer's cotton goods.

As millions of wage-earners can only pay for a part of the food and clothing for which they could pay several years ago, the demand is of course less than it was then. This is why the farmer has to use his corn for fuel, and the manufacturer has his storehouse overcrowded with unsalable goods. The wants and desires of the people are as great as ever, but their powers of satisfying them are much less. Give them the

means to earn higher wages, and they will not go hungry or cold, but will buy freely while their money lasts. So long as there are thousands of laborers suffering from hunger and cold, it is incorrect to say that the farmer and the manufacturer are suffering from "over-production"; for such people would buy the common necessities of life if they had the means. They have not the means, because the wage-system is out of joint and unjust.

IX.

THE EIGHT HOUR MOVEMENT.

Second. Even if the adoption of this plan does not create more work, the power of the Labor Board to regulate the number of hours of work per day, renders it possible to give all of those at present out of employment a chance to obtain work, by shortening the hours of work for each workman. At present, about one fifth of the whole number of wage-earners are out of work, and the remaining four fifths are sufficient to do all the existing work by working ten hours a day for six days in the week. Hence, it would only be necessary to reduce the hours of a day's work from ten to eight, in order to render the services of all necessary to perform the existing amount of work. In this way, the movement for eight hours might become an accomplished fact.

Where the accommodations for workmen are limited (as in mills), or where it is important that the work should be finished in a short time, the men could be divided into "shifts," as is done in mining.

The request for shorter hours should only be entertained when made by a large proportion of *both* the employed and the unemployed. To allow the hours to be shortened upon the request of the unemployed alone, might work injustice to the employed.

For as wages under this plan will increase and decrease in accordance with the amount of wealth produced by labor, to shorten the number of hours of work per day will decrease wages to each person by distributing the same total amount of wages among a larger number of persons. The effect of shortening hours will be, therefore, to deprive each workman of part of his wages, at least for a time, because a person cannot produce as much wealth in eight hours as he can in ten hours, working with the same implements and under the same circumstances. But as soon as new labor-saving machinery and tools are invented which increase the production of wealth, the wages will increase in exact proportion to the increased production of wealth, and in this way, after the lapse of a few years, a man may receive as much wages for eight hours of work as he formerly received for ten.

This power, however, should be carefully hedged about with safeguards, among which may be mentioned the following: to prevent a large influx of labor into the States which may first adopt this plan, the right to petition for work should be confined to citizens of the United States and to those who have been residents of the particular city or town from which the request comes for six months or a year beforehand, to be decided by official count.

As a means of improving the condition of the wage-earners, the eight-hour movement is believed to be less efficient than the Labor Board plan, for the following reasons:—

1. Employers can defeat its chief object of higher wages by employing workmen by the piece or job, or by paying by the hour instead of by the day. In those grades of work in which the custom is already established of working by the piece or job, there exists much opposition among the laborers themselves to the eight-hour movement, for under the present wage-system its adoption would in many cases reduce them to

starvation wages. Under the Labor Board plan, however, this opposition within the ranks would cease, because they would receive living wages, and the employers would not be able to defeat the objects of the law in creating that board, namely, of securing to all workmen fair and just wages.

2. The success of the eight-hour movement would not lessen the number of immigrants, but would probably increase that number by adding another inducement. This would increase the surplus of labor already existing, and would lower wages under the present system.

3. It would not secure to workmen higher wages for the use of new inventions in machinery.

4. A much more radical change in the wage-system than an eight-hour day seems to be required, in order to effect any permanent improvement in wages, or in the social condition of the working class.

X.

CHILD LABOR.

One of the worst crimes for which the competitive wage-system is responsible is that of child labor. The statistics upon this subject are heartrending and sickening. They show suffering and misery worse than that of the chain-gang. And their only crime is poverty! Alas! it is but too true, that the punishment for poverty is more certain and more severe than that for any crime except murder.

At an age when no child can escape the evils of the factory, the children of the poor are forced to work and overwork. These evils are physical, mental and moral. If not soon removed, they will degrade labor to the level of the brute. So long as parents cannot earn enough to support themselves and their children, will factory acts be evaded. The age of child

labor may be raised, and the penalties of fine and imprisonment may be imposed for infractions of the law, but the pangs of hunger will always conquer, and the child will be smuggled in under age. This is not done from choice but from necessity. It is not done from the love of money, but to prevent starvation. There is not one parent in a thousand who would not prefer the school to the factory for his children, up to the age of fourteen or fifteen years, if he could earn enough himself to keep soul and body together.

Statesmen and humanitarians have been aware for years of the danger to the State and of the injury to the human workman caused by child labor. It is worse in both respects than slave labor. The ignorance and vice of the slave did not endanger the well-being of the State to any great extent, because he had no vote and therefore very little power for misgovernment. The ignorance and vice of the free laborer, engendered by child labor, are a constant and ever increasing menace to the State, because he possesses the franchise. In a republic, it is absolutely necessary that a majority of its voters should be honest, intelligent and possess some education.

It is, therefore, an imperative duty of the State to inaugurate some plan of reform which shall be more effectual than factory acts. They have done some good, but from the very nature of the question, they can do very little. They are aimed at the parent and the child, who are merely the victims of a vicious system of wages, and not at the system itself. To succeed, the system must be reformed by relieving the necessities of the parent and child, and then natural love and affection will soon abolish child labor.

The way, therefore, to stop child labor is to put it into the power of the parent to earn enough to support himself and family, and this may be accomplished by the establishment of a Labor Board which will not regard labor as a commodity,

the price of which is determined by supply and demand, but as human beings, and as citizens of the State, who are entitled to a fair share of the wealth which they help to create.

The highest function of the State is to encourage the growth and development of *Men* and the formation of good *Citizens*. The existing system of laws and wages encourages nothing so much as the creation of a few millionaires on the one hand, and millions of human drudges on the other, with no joy in the present and no hope in the future, and with pain and suffering in the past. Is it not time that the State should do something to improve these conditions?

XI.

EVILS OF UNRESTRICTED COMPETITION.

Time was when competition was considered the life of trade. At present, competition in trade has become a destructive giant, whose path is strewn with death and disaster. The chief object now seems to be to restrict and to limit competition in business. Capital has been acting upon this principle for years, but labor, borne down by its necessities, has not yet fully awakened to the fact that to improve its condition it must prevent the employing class from taking advantage of free competition in labor.

Among capitalists, free competition in trade has been restricted by combination and consolidation, by the trust and the pool, and by protection tariff laws. The trust and the pool have been employed to protect capital from the injurious and wasteful effects of free competition at home, and protection tariff laws have protected capital from free competition with foreign nations in the home market. The inconsistency of the human mind is such, however, when biased by self-interest, as to render it more than probable that this very class of em-

ployers, who have been for years protected by tariff laws from free competition in commodities, will be the very men to object most strongly to any law designed to protect the wage-earners from the evils of free competition in labor. Under the false pretence of protecting home labor from the pauper labor of Europe, they spend thousands and ten of thousands of dollars yearly to protect themselves from free competition with England and the continent, but when the laborer wants protection from free competition in labor, they raise the cry of *Laissez faire*, and of impairing the freedom of contract.

If it be the proper function of the State to protect the manufacturer from competition, why is it not the proper function of the State to protect the laborer from competition also? Of the two classes, the laborer certainly has more need of protection than the manufacturer; but alas! government aid seems to be distributed more in accordance with the *power* of the applicant for aid than in accordance with his *needs*. For this reason, the laborer will never receive the State's assistance until he shows his power at the polls, by voting for men pledged to work for some specific plan of labor reform.

The other argument against State regulation of wages, that it impairs the freedom of contract, is equally untenable. Tariff laws also impair the freedom of contract by preventing the consumer from buying in the cheapest market. Their very aim and object is to advance prices above those of other countries, and the home consumer's freedom to contract for goods at low prices is impaired, and he is obliged to pay more for them than if no tariff law existed.

Upon this point, the advocates of State regulation of wages are not confined to the precedent of tariff laws. They have other precedents of laws impairing the absolute freedom of contract, some of which have no stronger grounds of justice

and humanity in their favor than has a law fixing the minimum rate of wages.

Usury laws, truck laws, and factory acts all impair the freedom of contract, and they are all justified upon the same ground that a law regulating wages may be justified upon, namely, to prevent one class of persons from taking an undue and an unjust advantage of the *necessities* of another class. The usurer complains bitterly of a law which frees the borrower from the legal duty to pay as much interest as he has contracted to pay, on the ostensible ground that it interferes with the freedom of contract, but for the real reason that it places a check upon his greed, and prevents him from taking an undue advantage of the borrower's necessities.

So, likewise, employers complain of truck laws and factory acts, for the alleged reason that they interfere with the freedom of contract, but for the true reason that they prevent the employer from taking advantage of the necessities of the workman to reduce wages, and because they put a check upon avarice and inhumanity.

The usurer is spurned by respectable society, and his bemoanings at the hardships of his lot are no longer listened to. But from a moral point of view is the usurer who exploits the borrower of his interest any worse than the employer who exploits the laborer of his wages? Is one entitled to any more respect or consideration than the other?

The time may come when both kinds of exploiters will stand upon the same low level in the world's opinion, and the advent of this event may be quickened by a law fixing the minimum rate of wages in accordance with justice.

Again, the contracting parties do not stand upon an equal footing. Capital is armed with the weapon of the age, money, and labor has no weapon comparable to it, except the franchise. Labor is in the position of a besieged city; it must accept the

terms offered, or starve. Capital can wait; labor can not. This is why most strikes end in victory for capital. The want of equality between the contracting parties justifies the interposition of the State in favor of the weaker party. The money lender and the borrower are upon an unequal footing, and, if the State allowed the transaction to be regulated entirely by contract between the parties, much injustice would be done to the borrower, because he is the weaker and has not the golden weapon. This inequality justifies the State in passing usury laws, which prevent the usurer from demanding the pound of flesh, by over-riding the contract of the parties.

One of the strongest arguments of American employers in favor of high tariff laws, is that they are forced to pay more for labor than foreign employers pay, and therefore they are entitled to be protected from foreign competition by the National Government. This is an admission on their part that inequality in conditions justifies the State in legislating for the protection of the weaker party,—that is, for the party whose conditions place him at a disadvantage in the battle of life. On this plea they have asked and received, for many years past, favors from Congress, which more than covered the difference in the cost of labor between this and other countries. Under these circumstances, it does not lie in their mouth to say that the State is not justified in legislating for the protection of labor.

Lastly, it is a recognized function of the State to administer justice between its citizens. Justice does not consist merely in enforcing contracts according to their terms; but sometimes in setting aside and nullifying the contracts of the parties, or in declaring that they shall be subject to certain conditions, though not expressed in the contracts. Such are bankrupt and insolvent laws, which relieve the debtor from his contract obligation to pay the full amount promised. Such are laws

requiring employers to pay wages weekly, and declaring that no agreement between the parties to accept payment at longer intervals shall be valid. So, a man cannot sell himself into slavery. Any contract or agreement so to do, is made null and void by the State.

From time immemorial, it has been customary for the State to fix a maximum charge for ferries, hacks, etc., and for the services of millers in grinding corn, innkeepers and wharfingers. In recent years, the State has also fixed a maximum charge for railroads and grain elevators.

If, in all these cases, the State is justified in interfering with the freedom of contract between individuals, why is it not also justified in interfering with the freedom of contract between employers and wage-earners? The interposition of the State is as much needed in this case to prevent injustice, as it is in many of the other cases.

This is a moral issue—a grave question of right and wrong—and therefore the opinion of the head of a great church is entitled to much weight. In his recent letter on the “Condition of Labor,” Pope Leo XIII. says on this subject:—

“We now approach a subject of very great importance, and one on which, if extremes are to be avoided, right ideas are absolutely necessary. Wages, we are told, are fixed by free consent, and therefore the employer, when he pays what was agreed upon, has done his part, and is not called upon for anything further. The only way, it is said, in which injustice could happen would be if the master refused to pay the whole of the wages, or the workman would not complete the work undertaken; when this happens the State should intervene to see that each obtains his own, but not under any other circumstances.

“This mode of reasoning is by no means convincing to a fair-minded man, for there are important considerations which

it leaves out of view altogether. To labor is to exert one's self for the sake of procuring what is necessary for the purposes of life, and most of all for self preservation. . . . There is a dictate of nature more imperious and more ancient than any bargain between man and man, that the remuneration must be enough to support the wage-earner in reasonable and frugal comfort. If, through necessity, or fear of a worse evil, the workman accepts harder conditions because an employer or a contractor will give him no better, he is the victim of force and injustice." Pp. 30-31 of the official translation.

Let labor avail itself of the experience and sagacity of capital in restricting the free competition in commodities, and follow its example to restrict free competition in labor, by the establishment of a Labor Board in each State; for unrestricted competition in labor leads to poverty and starvation for the laborer.

The Ship of State has been allowed to drift too long upon the course of *Laissez faire* and free competition in labor, and unless its course is soon changed in the direction of justice and humanity, it may be wrecked upon the rocky shores of competition.

Labor is more than a commodity; it is the bone and sinew of the State, the very essence of its existence. It is the life and blood of human beings,—men, women and children. It constitutes the vast majority of the State's citizenship. Its poverty is a mill-stone around its neck, which places it at a disadvantage in any struggle with capital. Capital can live for as many years without labor as labor can live days without capital. For all these reasons, those who have only their labor to sell are more entitled to the protection of the State than those who have commodities to sell.

If the demand for and the supply of labor were equal,

the present competitive wage-system would work no injustice. But the present supply of labor far exceeds the demand for labor, and laborers are obliged to underbid one another for work in order to keep the wolf of hunger from the door, and many cannot get work at any wages. Those employed suffer from the constant dread that the unemployed will underbid them for the work and thus obtain their places. In this age of large corporations with greedy stockholders, faithful services for any number of years will not secure the laborer's place, if an equally good workman underbids him. Large dividends must be paid, and there is no room for sentimentality in business. Thus reason the managers, who therefore use every effort to reduce the cost of labor in order to increase the profits.

We can not reverse the hands of Time and return to the days when faithful services did count in a man's favor, but we can impose some restraint upon this greed by enacting that an employer shall not pay lower wages than a certain sum to be fixed by the State at living rates. If the minimum rate of wages be fixed by a board of disinterested and fair minded men, the wage-earner will be relieved of the dread that any day he may be turned out of work by a cheaper workman, and he will secure his fair proportion of the wealth which he helps to produce.

XII.

A POLITICAL ISSUE.

The time has come to raise the standard of Labor Reform, and to make it a political issue. It is the only question of principle, of justice, and of humanity which now confronts the American people. For years their attention has been diverted to side-issues, in which they have no direct and personal

interest. But the signs of the times show that the people are tired of the "bloody shirt," of the tariff, and of other dead or unimportant issues. They demand some measure which will improve their social condition, which will give them more property and more leisure, and relieve them from the dread of starvation.

As soon as a practicable and just plan is devised for attaining these objects, it will be seized upon with alacrity and carried through in triumph. The political party which first adopts it and places it in the forefront of its platform will accomplish more for humanity than the Republican party accomplished in freeing the slave, and its victory will be more speedy. Instead of improving the social condition of five million of blacks, it will improve the social condition of fifty million of whites and blacks combined. Its victory will be more speedy, because it will receive the support of a larger number of voters by appealing directly to nine-tenths of them.

The plan must not only be practicable, but just also. No plan which is not just and equitable can receive the support of a majority of our citizens, even if they think that it will benefit themselves. Confiscation of property is unjust, and therefore a plan of that nature, however skillfully its real purpose may be disguised, will not receive such support so long as they can keep above the verge of starvation. If, however, the present downward direction of the wage-earning class be not arrested before they reach the starvation point, confiscation will be tried in some form, for most persons will steal rather than starve, or see those they love starve. Witness Jean Val Jean in Victor Hugo's "*Les Misérables*."

In the last years of the eighteenth century the then "old order of things with its privileged few" disappeared amid the clash of arms and the fall of the Bastille. Humanity then took a long stride in its upward course. In the last remaining

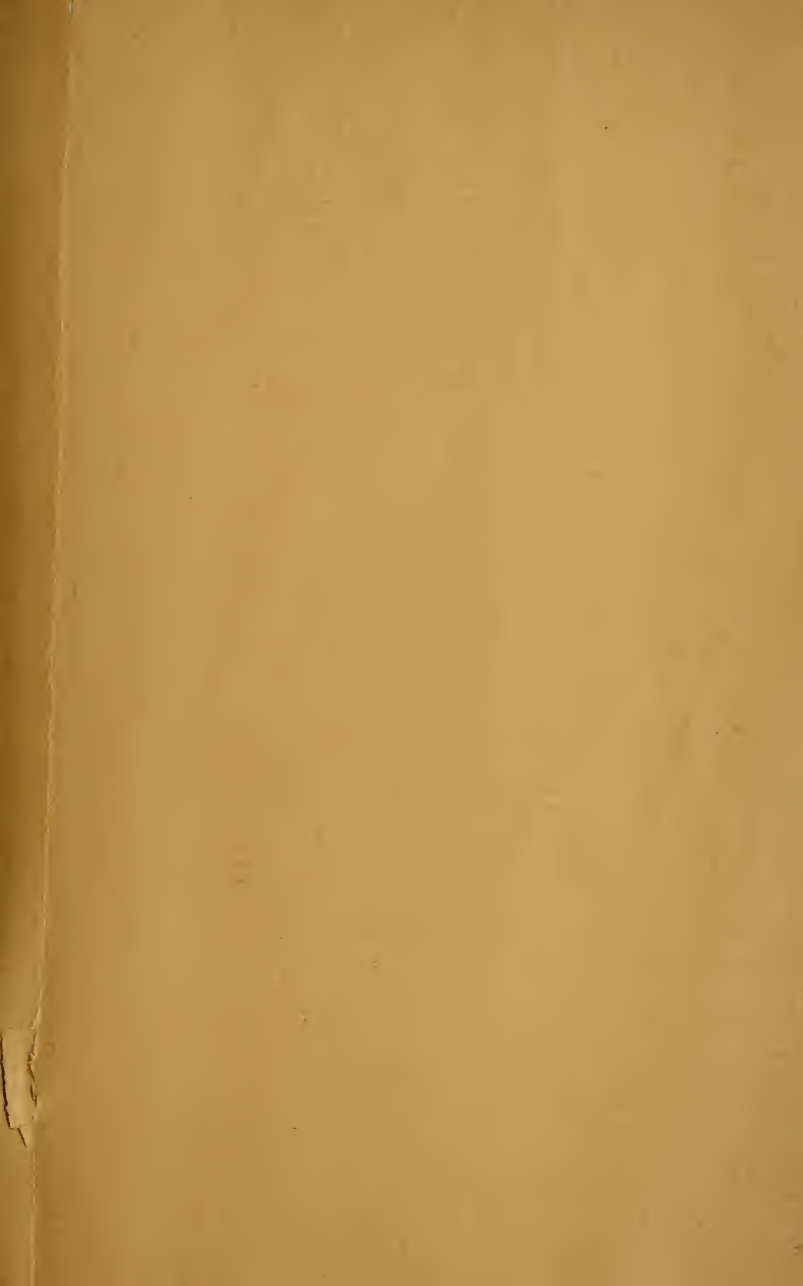
years of the nineteenth century, the present "old order of things with its privileged few" must crumble into dust and disappear beneath the weight of adverse votes. The advance of civilization has changed the weapons of revolution and of reformation, from the sword to the ballot; but the ballot is now mightier than the sword.

The adoption of this plan can be secured through the ballot box, without force or violence of any kind. In those States which have adopted the Australian ballot plan, it can be secured without danger of detection or loss of work to the employee, even temporarily.

The time is now ripe for the "plain people," (as Abraham Lincoln loved to call them,) to do more for their country's good and prosperity than has been accomplished since the death of that martyr to the cause of humanity. It does not require an attack upon any man or upon any set of men. It merely requires the reformation of a *system*,—the vicious system of wages now existing. That some radical change in this system is absolutely necessary is believed by large and increasing numbers. Without it, the condition of the wage-earners must sink lower and lower as the surplus of labor increases; for under this system the price of labor is regulated entirely by supply and demand.

If some practicable plan be adopted which will restrict this "iron law of wages" and transform it into a "golden rule of wages," a new era of peace, prosperity and happiness is assured for our beloved country. The face of labor will be radiant with content, instead of sullen with discontent. It will look forward to the morrow with hope and pleasure, instead of with despair and sorrow. Seeing that man is willing to do justice, labor will believe more in the justice of God. Religion will revive and Mammon will be rebuked.







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